

#### Members

Rep. Timothy Brown, Chairperson  
Rep. Robert Behning  
Rep. Mary Kay Budak  
Rep. Susan Crouch  
Rep. Richard Dodge  
Rep. David Frizzell  
Rep. Don Lehe  
Rep. Charlie Brown  
Rep. Craig Fry  
Rep. Carolene Mays  
Rep. Scott Reske  
Rep. Dennis Tyler  
Sen. Patricia Miller  
Sen. Vaneta Becker  
Sen. Gary Dillon  
Sen. Beverly Gard  
Sen. Connie Lawson  
Sen. Ryan Mishler  
Sen. Marvin Riegsecker  
Sen. Billie Breaux  
Sen. Vi Simpson  
Sen. Connie Sipes  
Sen. Timothy Skinner



## HEALTH FINANCE COMMISSION

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### MEETING MINUTES<sup>1</sup>

**Meeting Date:** September 26, 2006  
**Meeting Time:** 10:00 A.M.  
**Meeting Place:** State House, 200 W. Washington St., the House Chambers  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 2

**Members Present:** Rep. Timothy Brown, Chairperson; Rep. Mary Kay Budak; Rep. Susan Crouch; Rep. Richard Dodge; Rep. David Frizzell; Rep. Charlie Brown; Rep. Craig Fry; Rep. Carolene Mays; Rep. Dennis Tyler; Sen. Patricia Miller; Sen. Vaneta Becker; Sen. Gary Dillon; Sen. Connie Lawson; Sen. Ryan Mishler; Sen. Marvin Riegsecker; Sen. Billie Breaux; Sen. Vi Simpson; Sen. Timothy Skinner.

**Members Absent:** Rep. Robert Behning; Rep. Don Lehe; Rep. Scott Reske; Sen. Beverly Gard; Sen. Connie Sipes.

Chairperson Tim Brown called the meeting to order at 10:07 a.m. After asking the Commission whether there were any changes needed to the minutes from the last week, the Commission approved the minutes. Chairperson Brown informed the Commission that the order of the agenda will be modified to accommodate people who are traveling to testify at the meeting.

#### Presentation of the Future of the Physician Workforce

Dr. Stephen Leapman, Indiana University School of Medicine (IUSM), informed the

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Commission that IUSM has organized a Coalition Taskforce to study the future physician workforce needs and the possible future shortage of physicians. While IUSM was initially not interested in increasing enrollment since it is the second largest school of medicine in the country, IUSM is reconsidering this position and sponsored the Taskforce. Dr. Leapman stated that there will be a shortage of physicians nationally as well as in Indiana by 2020. There will be an increase in the nation's population and the population will be older, consuming more physician services.

While enrollment in medical schools has been flat since 1980, physician retirement has increased by two and one half times from 2000 to 2005. Physicians are also working fewer hours. The physician shortage could be covered if medical school enrollment is increased by 25-30%. IUSM would need additional money in its budget for the increased enrollment, but IUSM believes that the eight regional campuses have the physical capacity and staff for the additional students. The regional campuses which are currently only providing two years of education before the student has to finish school in Indianapolis may become three or four year programs. Dr. Leapman testified that the average medical student who graduates has about \$149,000 in debt after the four year school portion of the medical education. In the future, schools are going to need to look at determining whether medical school can be more efficient with less cost. Dr. Leapman said that additional research needs to be done on the whole health care model and how physician's assistants, nurse practitioners, and other health care providers can assist in lowering the need for doctors. Dr. Leapman stated that data is difficult to obtain in researching this issue, and that he recommends mandatory surveys to be distributed by the Professional Licensing Agency during the licensure process of health care providers in order to assist in researchers having access to data. See Exhibit 1 for a copy of Dr. Leapman's presentation.

#### Dental Hygienists/ Health and Hospital Corporation

Senator Breaux discussed SB 271-2006 which she introduced last session. This bill would have allowed dental hygienists who work for the Marion County Health and Hospital Corporation to perform additional services without a dentist present, including cleanings, fluoride, and sealant. Dr. Jenny Caine, Marion County Health and Hospital Corporation, informed the Commission that 48% of six to eight year olds in Indiana have untreated decay, which is above the national average. Children need to have dental care. This legislation would enable the Marion County Health and Hospital Corporation to assist more children. Dr. Kent Smith, Director of Dental Services, Marion County Health Department, stated that the proposed legislation is not radical. Dr. Smith distributed pictures of severe dental problems in children. These problems could be easily prevented with routine dental care. The local health department should be included in the legislation that would allow dental hygienists to perform additional services. Dr. Smith stated that a dentist would still see each child, and that the dentist would specify the treatment each child needs. The dental hygienist could then perform the cleaning, fluoride, and sealants and the dentist would not have to be physically present when the services are performed. This would allow the program to have more flexibility. A member of the Commission asked whether cleaning the child's teeth after the dentist examines the teeth may affect the diagnosis of the child. Dr. Smith responded that while the examination after the cleaning would be ideal, this is not an ideal world and these children need the services. The Commission also asked why the legislation is only for the Marion County Health and Hospital Corporation, and not for other clinics that provide dental services throughout the state. Chairperson Brown asked Senator Breaux to continue to work on the issue.

#### Costs of delivering health care services to diabetics

Mr. Ivan Lanier, National Director of State Government Relations, American Diabetes Association, stated that nationally 20.8 million adults live with diabetes, while an additional 41 million adults have pre-diabetes. In 2002, 520,000 Hoosiers lived with diabetes, an increase of 23% from 2000. Mr. Lanier stated that diabetes is a serious and costly disease. In 1999, the total direct and indirect cost of diabetes to the State of Indiana was \$3.6 billion. With proper supplies, education, and self-management, diabetes can be managed by the diagnosed individual. Mr. Lanier informed the Commission that diabetes awareness needs to increase so that the undiagnosed can be identified, and appropriate treatments and management implemented. Mr. Lanier recommended that funding for the Diabetes Prevention and Control Program be increased. See Exhibit 2 for a copy of Mr. Lanier's presentation.

Dr. Richard Stanley, DPM, American Podiatric Medical Association, informed the Commission that 60% of his patients are diabetic. Dr. Stanley stated that there are 78,000 amputations annually as a result from diabetes. Each amputation costs approximately \$50,000. Statistics indicate that once one limb is amputated, the other limb will need to be amputated within five years. Some of these amputations could be avoided with annual examinations and education. Money could be saved through prevention. Dr. Stanley informed the Commission that Medicaid only authorizes one podiatry evaluation a year and this is insufficient. Dr. Stanley recommended that individuals diagnosed with diabetes should be seen by a podiatrist up to four times per year. Dr. Stanley believes that when individuals are diagnosed with diabetes, they should be referred to an education program so that the individual understands the diagnosis.

Secretary Mitch Roob, FSSA, stated that Medicaid Select covers 70,000 individuals, 7,000 of which have a primary diagnosis of diabetes. The cost of care to the state for an individual diagnosed with diabetes is about \$5400 per diagnosed individual, or \$36 million annually. FSSA is currently looking at procuring the disease management program. A primary care case manager is only paid \$4 per month to manage a diabetic, and FSSA is looking at ways to increase this up to \$30 per month if more data is collected in return. See Exhibit 3 for Medicaid enrollment figures concerning diabetes.

#### Update on the Implementation of SB 493-2003 (Home and Community Based Care)

Mr. John Cardwell, Generations Project, told the Commission that several programs created in SB 493-2003 have been implemented according to FSSA: the adult foster care program promulgation is underway, 3500 new waiver slots have been opened and Medicaid income eligibility is now at 300% of SSI. However, Mr. Cardwell stated that it has been difficult to find anyone who has received one of these new waiver slots or anyone who has enrolled in Medicaid at the 300% level. Mr. Cardwell also has concerns that the state is enrolling nursing homes in a bed buyout program. Mr. Cardwell feels that this is a poor fiscal mechanism. The money being used to buy out the beds is from the quality assessment fee, and Mr. Cardwell stated that this money could be better used elsewhere. Chairperson Brown reminded Mr. Cardwell that the quality assessment fee money being used for the buyout was specified for that use in the legislation.

Mr. Cardwell informed the Commission that cuts in the Area Agencies on Aging (AAA) budgets have resulted in laying off employees. Mr. Cardwell stated that FSSA has told AAA that Community and Home Options to Institutional Care for the Elderly and Disabled Program (CHOICE) reimbursement rates may not be at a higher rate than Medicaid waiver rates for the same service. Mr. Cardwell does not believe that FSSA has the legal authority to require this and believes that this limitation marginalizes CHOICE. Mr. Cardwell also disagrees with a proposal to merge the CHOICE board with the Commission on Aging, stating that both committees have very important missions that are different and should be kept separate. See

Exhibit 4 for a summary of Mr. Cardwell's testimony.

Secretary Roob stated that this administration has done more to implement SB 493-2003 than any other administration. Secretary Roob stated that they are following the law, and that the law required a closing or conversion fund to be set up with the quality assessment funds. FSSA has implemented the adult foster care program and is aggressively marketing the program. See Exhibit 5 for FSSA's implementation status chart for SB 493-2003. Secretary Roob expressed frustration with always receiving complaints and undeserved criticisms concerning SB 493-2003.

Chairperson Brown stated that he wanted the next Commission meeting to be on October 17, 2006 for a full day but Commission members informed him that this would be a difficult day for some of them. Because a quorum will be needed to vote on the final report, Chairperson Brown stated that he would determine the date and Commission members would be contacted. The meeting was adjourned at 12:30 p.m.